

DELAWARE HEALTH FACILITIES AUTHORITY
MINUTES OF BOND COMMITTEE MEETING

Minutes of Meeting of Bond Committee with regard to the Bayhealth Medical Center, Inc. financing held on June 27, 2012 at the office of Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware:

The Bond Committee of the Delaware Health Facilities Authority (the "Authority"), consisting of Rolf F. Eriksen, the Chairman of the Authority; Desmond A. Baker, Secretary-Treasurer of the Authority, and George W. Forbes, III, each being a Member of the Authority, convened at 10:10 a.m. on June 27, 2012. The Bond Committee was established by Resolution of the Authority, adopted June 13, 2012 (the "Authority Resolution"), to approve the details of a revenue bond financing for the benefit of Bayhealth Medical Center, Inc. ("Bayhealth") as more fully described in the Authority Resolution. Also present at the meeting was John J. Quinn, III, Potter Anderson & Corroon LLP, the Authority's Counsel. Participating in the meeting by telephone were Emily Abrantes of Public Financial Management, Inc. ("PFM"), the Authority's Financial Advisor; Emilie R. Ninan, Esq. and Sandra Wintner, Esq., Ballard Spahr LLP, Bond Counsel; Walter P. McEvilly, Jr., Esq., Stevens & Lee, Bayhealth's Counsel; and Bruce Colbourn, PNC Bank.

The meeting and the public hearings to be conducted at the meeting were duly noticed. No members of the public were in attendance.

Mr. Eriksen invited presentation of the bond sale proposal.

Mr. Colbourn described the proposal of PNC Bank, National Association (the "Bank") to purchase the Series 2012 Bonds (hereinafter defined) pursuant to a Bond Purchase Contract dated June 27, 2012 (the "Bond Purchase Contract") and requested the Bond Committee to approve it. Mr. Colbourn addressed several questions raised by the Bond Committee regarding the Bank's accounting procedures for these bonds, and stated that the initial rate will be 0.772413%.

Reporting to the Bond Committee, Ms. Abrantes reiterated PFM's prior favorable recommendation of the Series 2012 Bonds and recommended approval. In response to Mr. Quinn's question, the telephone participants confirmed that the terms of the proposal complied with the limitations set forth in clauses (i)-(ii) of Section 4(b) of the Authority Resolution.

Mr. Quinn advised the Bond Committee that the proposal was within the parameters established by the Authority Resolution.

After further discussion, the following Resolution was moved by Mr. Forbes, seconded by Mr. Baker, and unanimously approved by the Bond Committee:

RESOLVED THAT:

1. Pursuant to Supplemental Indenture No. 3 between the Authority and Wells Fargo Bank, National Association, as Trustee (the "Trustee") dated as of June 1, 2012 ("Supplemental Indenture No. 3") to the Trust Indenture dated as of October 1, 2009 (the

"Original Indenture" and as supplemented and amended, including by Supplemental Indenture No. 1, Supplemental Indenture No. 2 and Supplemental Indenture No. 3, the "Indenture"), the Authority shall issue its Revenue Bonds (Bayhealth Medical Center Project) Series 2012, in the aggregate principal amount of \$71,200,000 (the "Series 2012 Bonds") for the purposes described in the Authority Resolution and shall lend the proceeds thereof to Bayhealth pursuant to the First Supplemental Loan, Mortgage and Security Agreement dated as of June 1, 2012 (the "First Supplement"), to the Loan, Mortgage and Security Agreement dated as of October 1, 2009 (the "Original Loan Agreement" and, together with the First Supplement, the "Loan Agreement").

2. The Series 2012 Bonds shall mature on July 1, 2039, which is within 27 years of the date of issuance. The Series 2012 Bonds will bear a variable rate of interest as set forth in the Bond Purchase Contract.

3. The Bond Committee hereby approves the following documents which are hereby authorized to be executed and delivered in such form as the signers thereof shall approve to carry out the intent of this Resolution: the Bond Purchase Contract; the Indenture; the Series 2012 Bonds certificate; the Loan Agreement; and the Tax Compliance Certificate of the Authority and Bayhealth applicable to the Series 2012 Bonds.

4. The Chairman, the Vice Chairman and all other officers of the Authority, or any of them, are authorized to execute and deliver any of the foregoing instruments as well as any other instruments or certificates required to accomplish the intent of this Resolution.

There being no further business to come before the meeting, the meeting was adjourned at 10:30 a.m.

I, Rolf F. Eriksen, hereby certify that the foregoing is a true and correct copy of the Minutes of a meeting of the Bond Committee of the Delaware Health Facilities Authority held on June 27, 2012.



Rolf F. Eriksen
Chairman